

# INCENTIVE PROGRAMS FOR LANDMARK OWNERS

*Technical Paper No. 16*



**King County**

Historic Preservation Program, Business Relations and Economic Development  
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## **Background**

A generous program of incentives balances the controls imposed by the King County Landmark designation program. The incentive programs currently available are described below. These programs have changed over time and will continue to change as tax and zoning laws evolve or new sources of grant funds become available. Individuals owning King County landmarks, owners of landmarks in the cities with which King County has interlocal agreements for landmarking services, or individuals who are considering designation are encouraged to contact the King County Historic Preservation Program at (206) 296-8689 for updated information on incentive programs.

## **Special Valuation: A Local Tax Incentive Program for Rehabilitating Historic Buildings**

Special Valuation subtracts eligible costs associated with the rehabilitation of historic properties (land value is not included) for up to ten years. The primary benefit of the program is that during the ten-year special valuation period, property taxes do not reflect substantial improvements made to the property. Prior to the passage of this law, owners rehabilitating historic buildings were subject to increased property taxes once the improvements were made. To be eligible, the property must have undergone an approved rehabilitation within two years prior to applying for special valuation, and the rehabilitation must be equal in cost to at least 25% of the assessed value of the improvement (excluding land value).

## **Current Use Taxation for Open Space**

Landmark property owners are eligible for tax relief through the Current Use Taxation (CUT) program. This program establishes a "current use" property tax assessment for qualifying property that is lower than the "highest and best use" assessment level that is applied to most land in the county. The reduction in taxable value ranges from 50% to 90% for the portion of the property in "current use." Landmark property owners qualify for a 50% reduction in taxable value for the *land* portion of their property assessment. If other eligible categories apply - such as wetlands, stream buffers, special habitat, etc. - the percentage may be higher. Properties determined *eligible* for landmark designation may also qualify for this program if they include another eligible category.

For property to be entered in to the CUT program, either the potential for additional development or use must be present, or the owner must provide some form of public access or agree to other provisions in return for the tax reduction. Public access is encouraged, however, access is not required particularly when visitation could damage or endanger the resource (for example an archaeological site).

## **Landmark Loan Fund**

Low-interest loans are available to landmark property owners through programs administered jointly between the King County Historic Preservation Program and participating local banks. The Landmarks Commission reviews proposed loan-funded projects for compliance with restoration and

rehabilitation standards, while the banks focus on the financial eligibility of the borrower. Loans are available for the restoration or rehabilitation of privately owned residential and commercial properties.

### **Technical Assistance**

Owners of King County landmarks are eligible to receive a range of technical assistance services from the Landmarks Commission and staff. Primary among these is assistance from members of the Commission's Design Review Committee who review and approve all changes to designated features of significance of landmark properties. Included on this committee are architects and preservation specialists who can share both their technical knowledge and broad experience working with historic buildings. In addition, the Program maintains technical papers and has access to information on a wide range of historic preservation issues.

### **Investment Tax Credits**

The Tax Reform Act of 1986 authorizes owners of buildings listed in the National Register of Historic Places to take a 20% income tax credit on the cost of rehabilitating their buildings for industrial, commercial, or rental residential purposes. Many King County Landmarks are eligible for listing on the National Register. An owner investing in rehabilitation of a registered historic property will have credit against federal taxes. The Preservation Assistance Division of the National Park Service monitors this program, which is administered by the State Office of Archaeology and Historic Preservation. For additional information contact Stephen Mathison at [Stephen.Mathison@dahp.wa.gov](mailto:Stephen.Mathison@dahp.wa.gov) or (360) 586-3079.

### **Landmark Grant Programs**

4Culture, a King County-chartered public development authority, administers two grant programs to which landmark property owners are eligible to apply:

- *Cultural Facilities Program*  
A cultural organization (either arts or heritage) that owns or uses a King County Landmark is eligible to apply to the Cultural Facilities Program for the purchase, restoration or rehabilitation of the building.
- *Landmark Stabilization and Rehabilitation Grants*  
In 2002, King County established an annual grant-in-aid program for the stabilization and rehabilitation of landmark properties. Individuals owning King County landmarks, or owners of landmarks in the cities with which King County has interlocal agreements for landmarking services are eligible to apply to this program.

Grant awards for both of these programs are made on a competitive basis. Funding decisions are made based on the criteria and priorities outlined in the program guidelines. For additional information contact Flo Lentz at [flo.lentz@4culture.org](mailto:flo.lentz@4culture.org) or (206) 296-8682.

**This information is available upon request in alternative formats for persons with disabilities at (206) 296-7580 TTY.**